

Denali Capital Management

Firm Brochure

This brochure provides information about the qualifications and business practices of Denali Capital Management, LLC. If you have any questions about the contents of this brochure, please do not hesitate to contact us at (907) 456-3361 or by email at Heather@denalicapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Denali Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Denali Capital Management, LLC's CRD number is: 127794

315 Barnette St, Suite 201
Fairbanks, AK 99701
(907) 456-3361
www.denalicapital.com
Heather@denalicapital.com

Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

There are no material changes in this brochure from Denali Capital Management's last annual update filing on March 4, 2015. Material changes would relate to Denali Capital Management's policies, practices or conflicts of interests only.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Denali Capital Management, LLC is organized under the laws of the State of Alaska. It has been in business since July 21, 2003, and the principal owner is J. Scott Husband.

B. Types of Advisory Services

Denali Capital Management, LLC (hereinafter “DCM”) offers the following services to its advisory Clients.

Investment Supervisory Services

DCM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each Client. DCM advisors derive this information in a meeting or series of meetings with the prospective Client. Data is recorded that provides an outline of the Client’s current situation (income, tax levels, net worth, known future cash flow requirements) and then develops an investment plan that is utilized in the construction of an investment portfolio that matches each Client’s specific situation.

Investment Supervisory Services may include, but are not limited to, the following:

- Development of Asset Allocation guidelines
- Evaluation and selection of individual investment assets or managers
- Regular portfolio monitoring and reporting
- Assistance in generation of investment policy statements
- Discretionary purchases or sales of securities

DCM uses its best judgment and good faith efforts in rendering services to our Clients. We strive to always make decisions that are in our Clients’ best interests. DCM cannot warrant or guarantee any particular level of account performance, or that the account will be profitable. Not every investment decision or recommendation made by DCM will be profitable. DCM Clients assume all market risk involved in the investment of account assets, and should understand that investments made for their accounts are subject to various market, currency, economic, political, business, and interest-rate related risks.

Selection of Other Advisors

DCM may direct Clients to third party money managers through various programs available through our custodial firm. DCM is compensated via a discounted fee from the Client for ongoing monitoring of the sub-advisor. DCM Clients participating in this program will also pay a fee to the sub-advisor, and may pay an increased fee to the custodian firm. These fees will be clearly disclosed in documents presented to the participating Clients. The total fees paid will not exceed any limit imposed by any regulatory agency. Before selecting sub-advisors for our Clients, DCM will always ensure those sub-advisors are properly licensed or registered.

Financial Planning

DCM does not offer services or generate documents that traditionally have been called Financial Planning and/or Financial Plans.

Services Limited to Specific Types of Investments

DCM generally limits its investment advice and/or money management to publicly traded financial securities. These include, but are not limited to equity securities, debt securities, Exchange Traded Funds, Mutual Funds, outside investment managers, Real Estate Investment Trusts, Limited Partnership units, and commodity- or futures-linked securities. DCM may use other securities when applicable to achieve a desired level of diversification.

C. Client Tailored Services and Client Imposed Restrictions

DCM offers the same suite of services to all of its Clients. However, specific Client investment plans and their implementation may be customized to suit particular Client desires or requirements. One example would be the utilization of debt securities of specific maturities to accommodate known cash flow needs. Another example might involve the avoidance of the securities of a particular company or industry on religious or philosophical grounds. Clients may impose such restrictions; however, if the restrictions prevent DCM from properly servicing the Client account, or if the restrictions would require DCM to deviate from its standard suite of services, DCM reserves the right to end the relationship and would inform the Client of this possibility.

D. Wrap Fee Programs

DCM does not participate in wrap fee programs.

E. Amounts Under Management

As of March 4, 2015, DCM has the following assets under management:

Discretionary Amount: \$76,576,570

Non-Discretionary Amount: \$2,266,205

Item 5: Fees and Compensation**A. Fee Schedule*****Investment Supervisory Services Fees***

Assets	Maximum Annual Fee
\$0 to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
\$1,000,001 to \$3,000,000	1.125%
\$3,000,001 to \$5,000,000	0.85%
\$5,000,001 to \$10,000,000	0.75%
\$10,000,001 to \$20,000,000	0.65%
\$20,000,001 and up	0.50%

These fees are standard, but may be negotiated lower in certain circumstances. The final fee schedule agreed upon is attached to the Client's Investment Advisory Agreement. Fees are paid quarterly in advance, and Clients may terminate their contracts at any time. Refunds will be considered on a case by case basis at the request of Client.

Selection of Other Advisors Fees

DCM may occasionally direct Clients to third party money managers (called sub-advisors). DCM is compensated via a discounted fee from the Client for ongoing monitoring of the sub-advisor. DCM Clients participating in this program will also pay a fee to the sub-advisor, and may pay an increased fee to the custodian firm. These fees will be clearly disclosed in documents presented to the participating Clients. The fees shared will not exceed any limit imposed by any regulatory agency.

Financial Planning Fees

DCM does not offer services or generate documents that traditionally have been called Financial Planning and/or Financial Plans, therefore there are no such fees charged.

Fixed Fees & Hourly Fees

DCM does not have any fixed fees or hourly fees.

B. Payment of Fees***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the Client's accounts with the Client's prior written authorization. Fees are paid quarterly in advance. Clients bear responsibility for verifying the accuracy of fee calculations.

Payment of Financial Planning Fees

DCM does not charge any financial planning fees.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, commissions, markups, sub-advisor fees, etc.) Those fees are separate and distinct from the fees and expenses charged by DCM. DCM pays attention to the fees and expenses charged by the issuers and sponsors of the investment funds or other securitized products we purchase for our Clients with the goal of minimizing those charges. Please see item 12 of this brochure for more information regarding fees and expenses that may be charged by our broker/custodian.

D. Prepayment of Fees

DCM collects fees in advance and refunds will be considered on a case by case basis at the request of Client.

E. Outside Compensation for the Sale of Securities to Clients.

DCM does not receive any outside compensation for the sale of securities to Clients.

DCM is compensated from advisory fees only, and does not receive any remuneration from commissions or markups.

Item 6: Performance-Based Fees and Side-By-Side Management

DCM does not charge performance-based fees or other fees based on a share of the capital gains or capital appreciation of the assets of a Client.

Item 7: Types of Clients

DCM generally provides investment advice and/or management supervisory to the following types of Clients:

- Individuals and Households
- High Net-Worth Individuals
- Trusts, Estates, Charitable or Non-Profit Organizations, or Endowments
- Corporations

Minimum Account Size

There is a minimum relationship size of \$250,000, not necessarily within one account, which may be waived by DCM's discretion under certain circumstances.

Item 8: Methods of Analysis, Investment Strategies and Risk, of Investment Loss

A. Methods of Analysis and Investment Strategies

DCM's methods of analysis include fundamental analysis, technical analysis, cyclical analysis, and macroeconomic analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume, and can be useful to aid in the timing of a purchase or sale of a security.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Macroeconomic analysis involves the tracking and consideration of generally accepted economic statistics to gauge a potential growth or inflation rate. This analysis also involves the close tracking of interest rate moves, aside from consideration of creditworthiness.

Investing in securities always involves the risk of loss that advisory Clients should be prepared to bear.

B. Material Risk Involved

DCM generally employs long term trading strategies based primarily on a value-driven basis. We also use short term trading strategies, particularly involving index, country or industrial sector funds. When short term trading is used, it can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. DCM does not engage in short sales, and does not perform margin transactions for our discretionary Clients. DCM utilizes investment strategies that are designed to capture market rates of return, with the goal of achieving this with lower risk than the broader market. There is no assurance that our value-driven investment strategies will perform as well as broader market indexes over any market cycle.

Investing in securities always involves the risk of loss that Clients should be prepared to bear.

C. Risks of Specific Securities Utilized

DCM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity and debt markets.

DCM regularly utilizes Exchange Traded Funds (ETFs) to participate in the performance of a particular index, country or economic sector. The value of ETFs fluctuate with the value of the underlying securities it holds. ETFs may trade for less or more than their net asset value.

Occasionally, DCM may employ leveraged ETFs which are structured to magnify the movement of the underlying index or benchmark, or inverse ETFs which are structured to profit from a decline in the underlying index or benchmark. These types of ETF carry additional risks if held over a longer term due to the significantly increased cost of maintaining the leveraged or inverse structure.

DCM may use commodity-linked ETFs (or similar securities) designed to track the performance of a particular commodity or family of commodities. These securities may demonstrate increased volatility, and may be subject to further forms of risk (i.e. weather, political, etc.) beyond traditional financial securities.

Past performance is not an indicator nor a guarantee of future returns. Investing in securities always involves a risk of loss that advisory Clients should be prepared to bear.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither DCM nor its Advisory personnel maintain registration as a Broker/Dealer or a Registered Representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither DCM nor its Advisory personnel maintain registration as a FCM, CPO, or CTA.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

DCM and its Advisory personnel maintain only Investment Advisor registration. There are no conflicts of interests due to other registration relationships.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

DCM may direct Clients to third party managers. This relationship will be clearly disclosed in documentation executed between DCM and the participating Clients. DCM will always act in the best interests of the Client, including when determining which third party

manager to recommend to Clients. DCM does not receive any compensation from any third party managers selected.

Item 11: Code of Ethics, Participation in Transactions, Personal Trading

A. Code of Ethics

DCM has adopted a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from DCM.

B. Recommendations Involving Material Financial Interests

DCM does not recommend that Clients buy or sell any security in which a related person to DCM has any material financial interest.

C. Investing Personal Money in the Same Securities as Clients

Individuals associated with DCM may buy and sell some of the same securities for its own account that DCM buys and sells for its Clients. In some cases, DCM may buy or sell securities for its own account for reasons not related to the strategies utilized for DCM's Clients.

DCM will disclose to advisory Clients any material conflict of interest relating to DCM, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

DCM has adopted a Code of Ethics for its operations. The Code outlines general provisions regarding treatment of Clients and their interests. The Code of Ethics is available to advisory Clients upon request.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of DCM may buy or sell securities for themselves at or around the same time as Clients. In those instances, DCM advisors will perform the transactions in appropriate Client accounts (where the security is held or is to be purchased) prior to performing the transactions for their own accounts.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The custodian chosen by DCM, Schwab Institutional, a division of Charles Schwab & Co., Inc., (hereinafter "Schwab"). They were chosen based on their relatively low transaction fees, reputable trading platform, access to a wide variety of investment products, and a reputation for high-quality, back-office client services. DCM will never charge a premium or commission on transactions, beyond the actual cost imposed by Schwab.

DCM prefers that our clients establish brokerage accounts with Schwab is a FINRA registered broker-dealer, member SIPC, to maintain custody of their assets and to allow us to effect trades for their accounts. DCM facilitates this procedure by assisting our new clients in opening these

accounts. Although DCM may prefer that clients establish accounts to custody their assets at Schwab, it is the client's sole decision to do so. DCM is independently owned and operated and not affiliated with Schwab.

Schwab generally does not charge DCM's Client accounts separately for custody services. Schwab is compensated for custody through the commissions, markups, or other transaction-related fees generated from securities trades performed in DCM Client accounts. These fees may be charged on trades that are executed by Schwab or that settle into Schwab accounts.

1. Research and Other Soft-Dollar Benefits

DCM does not participate in any formal soft dollar arrangements. However, Schwab provides DCM with access to its institutional trading and custody services, some of which may not usually be available to Schwab retail investors. Schwab's services include brokerage, custody, research (including third-party research), and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab's products and services that assist DCM in managing and administering Clients' accounts include software and other technology that (i) provide access to Client account data (such as trade confirmations and account statements; (ii) facilitate trade execution and allocate aggregated trade orders for multiple Client accounts; (iii) provide research, pricing, and other market data; (iv) facilitate payment of DCM's fees from its Clients' accounts; and (v) assist with back-office functions, recordkeeping and Client reporting.

Some of the products and services that Schwab makes available to DCM may benefit DCM without directly benefitting all of our Clients' accounts. Many of these services generally may be used to service all or a substantial number of DCM's accounts.

Schwab makes available to DCM other services intended to help DCM manage and further develop its business enterprise. These services may include consulting, publications and conferences on best practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to DCM by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to DCM.

As a fiduciary, DCM endeavors to act in its Clients' best interests at all times. Our Clients should understand that DCM's recommendation that they maintain their assets with Schwab may be based in part on the benefit to DCM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

DCM's Clients that maintain assets in custody at Schwab will not be charged separately for custody. Schwab will receive compensation from DCM's Clients in the form of commissions, markups or other transaction-related fees on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than

Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus DCM may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. DCM nevertheless, acknowledges its duty to seek best execution of trades for Client accounts.

2. Brokerage for Client Referrals

DCM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Directed Brokerage

Schwab is the only custodian or Broker / Dealer that DCM currently utilizes. We do not require, nor do we accept Client-directed brokerage instructions. All of our transactions are cleared through Schwab, where our Clients receive good executions of their orders. DCM is not an affiliate of Schwab, and there is no conflict of interest for performing our transactions there.

B. Aggregating (Block) Trading for Multiple Client Accounts

DCM maintains the ability to perform block trade purchases or sales across accounts and will do so. Block trading may benefit clients by purchasing larger blocks in groups, although we do not feel that our clients that do not participate in the block trade are at a disadvantage due to the best execution practices of our custodian. If any block trades are not fully executed, they will be prorated across each participating account, excluding those smaller accounts that would be harmed by inclusion in the prorated allocation.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least monthly by Scott Husband and/or Mark Simpson. They are the chief advisors and are instructed to review Clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at the Investment Advisor are assigned to these reviewers.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in a Client's financial situation (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each Client will receive at least quarterly a written report detailing the Client's account holdings and other relevant data. Schwab shall provide all broker dealer required documents.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

DCM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to DCM Clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

DCM does not directly or indirectly compensate any person who is not advisory personnel for Client referrals.

Item 15: Custody

DCM does not take custody of Client assets at any time. Custody of Client's accounts is held at the custodian: Schwab Institutional, a division of Charles Schwab & Co., Inc. Clients will receive account statements from the custodian and should carefully review those statements.

Item 16: Investment Discretion

For those Client accounts where DCM provides ongoing supervision, DCM maintains limited power of authority over Client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold [and the timing of the buying and selling of securities]. Discretionary Authority (if any) is explained to Clients before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

DCM will not accept voting authority for Client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

DCM does not require nor solicit prepayment of fees, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither DCM nor its management has any financial conditions that are reasonably likely to impair our ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Ten Years

Neither DCM nor its management have been the subject of a bankruptcy petition in the last ten years.